

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 3
Mtg. Date September 18, 2018
Dept. Public Works

Item Title: Request for Proposal for a Digital Message Board Sign on City-Owned Real Property

Staff Contact: Mike James, Assistant City Manager / Public Works Director

Recommendation:

Provide feedback and direction to staff regarding the request for proposal for a digital message board sign on City-owned real property (**Attachment B**). |

Item Summary:

On June 5, 2018, the City Council received a report that proposed the Fiscal Year 2018-2019 draft consolidated budget document. Within that document, there was a section that outlined other revenue options that did not require voters' approval. Constructing a digital message board sign on city-owned property was one of those options.

Staff now presents a report (**Attachment A**) that elaborates on the steps that staff took to create a request for proposals (RFP) (**Attachment B**) for a digital message board sign on city-owned real property, key points of the RFP, the benefits and risks of constructing and managing digital message board signs, and concludes with staff's request for feedback and direction. |

Fiscal Impact:

None. |

Environmental Review:

☒ Not subject to review

☐ Negative Declaration

☐ Categorical Exemption, Section |

☐ Mitigated Negative Declaration

Public Information:

☒ None

☐ Newsletter article

☐ Notice to property owners within 300 ft.

☐ Notice published in local newspaper

☐ Neighborhood meeting

Attachments:

A. Staff Report

B. Draft Request for Proposals

Attachment A

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 3

Mtg. Date September 18, 2018

Item Title: **Request for Proposals for Digital Message Board Signs on City-Owned Real Property**

Staff Contact: **Mike James, Assistant City Manager / Public Works Director**

Background:

On June 5, 2018, the City Council received a report that proposed the Fiscal Year 2018-2019 draft consolidated budget document. A section of that report outlined other revenue options that did not require voters' approval. As a summary from that staff report, below is the excerpt that was presented:

Electronic Bill Boards – Lemon Grove has several static billboards that dot the 94. Billboard companies are moving towards electronic billboards to increase their advertising options for companies. Several years ago, Lemon Grove did explore this as a revenue generation option, however this option was never implemented. Based on an old proposal the City could receive approximately \$250,000 per year in revenue. This option has been explored by other cities in San Diego County but was dropped when met with community opposition.

Discussion:

This report elaborates on the steps that staff took to update the request for proposals (RFP) (**Attachment B**) for a digital message board sign on city-owned real property, key points of the RFP, the benefits and risks of constructing and managing a digital message board sign, and concludes with a request that the City Council provide feedback and direction to staff.

Request for Proposals:

The purpose of a RFP is to find the services of a specialized professional entity that has a demonstrated competence that will best fit the needs of the City. As detailed in Lemon Grove Municipal Code Section 3.24.070, staff created a RFP to find an entity that will be the most advantageous to the City, while considering the evaluation criteria in the RFP as well as providing a fair and reasonable price.

While creating the specific details listed within the RFP, staff contacted neighboring cities in San Diego County that have advertised for and/or constructed digital message board sign(s). That feedback was incorporated into the RFP.

Key Points of the RFP:

The following section details key points of RFP:

General Conditions:

- If applicable, more than one entity may be selected to develop, construction and manage multiple digital signs.
- The entity(ies) selected will be responsible for the entire process that includes development, construction, and operation of the digital sign(s).

Attachment A

- The digital sign(s) will provide direct revenue to the City and promote City sponsored events, local businesses, disseminate public safety messages (e.g. Amber Alerts), and traffic messages all at no cost to the City.
- The City's Sign Ordinance (Chapter 18.12 of the LGMC) may need to be amended as apart of this RFP process, all costs will be borne by the selected entity(ies).
- All City sites are offered in an "as is" and "where is" condition. City sites may include all City owned property and City right-of-way.

Submittal Requirements:

- Proposal for each digital message board site will include a rendering of the type of digital sign(s) at its proposed location.
- Proposed business terms of an agreement with the City, to include a revenue stream to the City.

Evaluation Criteria:

- Financial consideration to the City.
- Community benefit.
- Relevant experience and description of the project team.
- Detailed site development information.

Benefits / Risks:

Staff has identified several benefits and risks associated with the RFP. In 2014, staff had multiple discussions with an advertising firm who provided feedback regarding the benefits and risks. That feedback was incorporated into the lists shown below.

Benefits:

1. Timely public notices (e.g. natural disasters, amber alerts, FBI most wanted).
2. Promote City sponsored events.
3. Possible reduction of number of billboard signs in the City.
4. Modernize the City's image.
5. Stimulate economic investment to the City and support existing businesses.
6. Dedicated annual revenue source to the City.

Risks:

1. Removal of existing landscaping in Caltrans ROW (e.g. trees).
2. Potential distraction to vehicular traffic.
3. Artificial lighting during the evening hours in residential areas.
4. Potential liability regarding the content of material advertised. |

Conclusion:

Staff seeks City Council feedback and direction regarding the request for proposals. If the City Council desires for staff to advertise the request for proposals, staff will move forward with a public advertisement per the City's procurement policy and timeline outlined in the RFP.

Staff will return to the City Council for approval of its recommended firm to design, construct and manage digital message board sign(s) on City real property. |

Attachment B

REQUEST FOR PROPOSALS

FOR

DIGITAL MESSAGE BOARD SIGNS ON CITY OWNED REAL PROPERTY

Project Title:	Digital Message Boards Signs on City Owned Real Property
Description of Project:	The City of Lemon Grove seeks proposals from signage firms to research, prepare, construct and manage digital message board sign(s) on City owned real property.
Department Requesting:	Public Works Department
RFP Issue Date:	September 19, 2018
Submittal Deadline:	5:00 p.m., November 1, 2018 (postmarks not accepted)
Deliver Submittal To:	Mike James, Assistant City Manager / Public Works Director City of Lemon Grove Public Works Director 3232 Main Street Lemon Grove, CA 91945 mjames@lemongrove.ca.gov

Attachment B

I. INTRODUCTION

As part of the City's plan to attain fiscal sustainability, the City is exploring digital message board signs as a method to generate revenue. Moreover, updating the City's signage will help to modernize the City's image, promote the City's community events, add value to the City's urban landscape, and stimulate economic investment by attracting and supporting the local business community.

II. SCOPE OF SERVICES

The City of Lemon Grove seeks submittals from qualified individuals, companies and/or entities (firms) to develop, construct and operate digital message board sign(s) on city-owned real property located along state highways and/or major traffic corridors. The proposals submitted in response to this RFP must conform to the terms, conditions and specifications described hereafter.

After receipt of responses to the RFP, review thereof, and selection of a firm(s) as the develop/operator of the digital sign(s), the City will negotiate and prepare an agreement with the proposed operator(s) for the development, construction and operation of the digital sign(s) on City property. Thereafter, the agreement will be presented to the Lemon Grove City Council for approval.

The RFP is put forth with the following understanding:

- A. The City may approve more than one such digital sign on City real property. The City may select a single firm for all digital signs or select different firms per sign.
- B. The proposal by a firm needs to set forth the City site or City sites desired, number of digital signs, type and design criteria of each sign or signs that will be developed, constructed and operated by the firm.
- C. The development, construction and operation of the digital sign(s) proposed by the firm must identify requirements related to and in compliance with the California Environmental Quality Act (CEQA) as a condition to the approval of the agreement, which shall be at the sole cost and expense of the firm. In addition, the development, construction and operation of the digital sign(s) must comply with all other applicable regulatory approvals (e.g. California Department of Transportation), which shall also be at the sole cost and expense of the firm.
- D. The development, construction and operation of the digital sign(s) need to provide direct revenue to the City and promote City sponsored events, support the local business community, disseminate public safety, and traffic message (e.g. Amber Alerts) at no cost to the City.
- E. The City existing sign ordinance, Chapter 18.12 of the Lemon Grove Municipal Code (http://gcode.us/codes/lemongrove/view.php?topic=18-18_12&frames=on), may need to be revised in order to develop, construct and operate any digital sign(s). The cost to research any amendment to the existing code, prepare revisions, and assisting City staff to present the amendment to the City Council will be at the sole cost and expense of the firm(s).

Attachment B

- F. The selected firm should have significant experience and a verifiable track record of accomplishment. Innovative proposal that maximize the return to the City are encouraged.
- G. The City sites are offered in an “as is” and “where is” condition, and the City does not make any representations and/or warranties as to the suitability of the City site for any proposed digital sign. Each firm is encouraged to perform its own feasibility analysis of any particular City site and the requisite regulatory approvals associated therewith for the use of said City site for a digital sign(s).

III. SUBMITTAL REQUIREMENTS

The City welcomes responses to the RFP in a format that the firm believes best expresses the qualifications of the firm. Lengthy responses are not expected. Short, concise, yet comprehensive proposals are preferred.

All submittals should include the following:

- A. Relevant Experience – A description of at least three similar projects completed by the individuals, companies, and/or teams that comprise the firm, which clearly demonstrates the requisite expertise in the development, construction and operation of digital sign(s). Relevant similar projects should distinguish between the projects of the individuals, companies, and/or teams that comprise the firm, if applicable. Relevant experience should also include:
 - a. Being a direct party to a similar contractual obligation with the public sector and/or governmental entity for a similar project.
 - b. Preparation of applications and related documents pertaining to the California Environmental Quality Act (CEQA) or other similar or comparable environmental review process for a similar project.
 - c. A similar project as a lessee or party to a long-term ground lease or similar real property right or interest with a public sector and/or governmental agency.
 - d. Experience with California cities and California Department of Transportation should be highlighted.
- B. Description of the Project Team – Detailed information on the proposed work team and their specific role, including membership of the board of directors, senior management, corporate history, corporate mission statement, and corporate organizational structure. Similar information is requested for any business partner that will be involved with the project and their specific role.
- C. References – Provide complete contact information for at least five clients or partners with whom the firm has successfully completed similar projects for.
- D. Proposed Digital Electronic Billboard Site(s) – Using the potential areas for siting an electronic billboard, identify the site(s) that your company would propose. For reference,

Attachment B

below is list of city owned real property:

<u>#</u>	<u>APN</u>	<u>Address (if applicable)</u>
1	475-402-25-00	7764 North Avenue
2	475-402-27-00	7752 North Avenue
3	475-430-07-00	8105 Lemon Grove Way
4	475-490-14-00	8111 Lemon Grove Way
5	479-094-01-00	7385 Broadway
6	479-094-03-00	7390 Pacific Avenue
7	480-043-26-00	3524-3530 Main Street
8	480-043-27-00	3510-3516 Main Street
9	480-043-30-00	3482-3492 Main Street
10	480-043-31-00	3466 Main Street
11	480-111-07-00	7859 Lester Avenue
12	480-111-08-00	7865 Lester Avenue
13	480-111-09-00	7883 Lester Avenue
14	480-111-10-00	7891 Lester Avenue
15	480-111-11-00	7917 Lester Avenue
16	480-111-22-00	7874 Broadway
17	480-173-01-00	3185 Olive Street
18	480-173-02-00	7730 Central Avenue
19	480-174-01-00	3240 Main Street
20	480-174-02-00	3225 Olive Street
21	480-174-03-00	3210 Main Street
22	480-174-04-00	3205 Olive Street
23	503-330-19-00	2271 Washington Street
24	576-392-10-00	7701 Nichols Street
25	760-234-59-00	8235 Mount Vernon Street

If the site is with Caltrans' designated landscaped areas, explain your experience in obtaining approval to install billboards in those areas.

Also include a detailed description of the digital sign(s) that will be developed, constructed and operated on each particular City site, as applicable. The detailed information should describe specifications of the Digital Sign(s) (e.g. remote diagnostic capabilities, Amber Alert capabilities, automatic brightness adjustments, UL and IEC criteria, color calibration, and remote shutdown capabilities) and compliance with the applicable federal, state, and local other regulatory laws and ordinances.

- E. Construction and Maintenance Requirements – Provide a detailed description of the construction of the digital sign (including but not limited to the preparation of the City site, the installation of infrastructure and utilities, and the installation of the digital sign(s)) and compliance with all applicable federal, state and local building codes. In addition, a detailed description of the regularly schedule onsite maintenance, internal services access for safety and improved appearance, and proposed upgrades to the digital sign during the term of an agreement will also need to be provided.

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- F. Development and Construction Schedule – An overall proposed development and construction schedule including the anticipated time periods needed to negotiate the agreement, approval period for any further entitlements to execute the development; period of time to obtain financing (if any), construction of the digital sign(s), and any other conditions in order to complete the development and construction of the digital sign(s).
- G. Agreement Terms and Conditions – The proposed business terms of an agreement including but not limited to:
- a. The length of the term together with any options (if any);
 - b. The proposed compensation to the City (e.g. upfront payments, annual payments, type of payment (percentage of gross revenue, including any definitions, other considerations);
 - c. Permitted and prohibited material to be advertised;
 - d. Type of advertising desired (e.g. static);
 - e. Criteria for promoting community events, local businesses, disseminating public safety and traffic related messages;
 - f. Amount and type of insurance to be provided;
 - g. Other applicable terms and conditions.

And compliance with all applicable federal, state and local building codes. Additionally, a detailed description of the regularly scheduled onsite maintenance, internal service access for safety and improved

- H. Project Proforma – A project development cost spreadsheet, which shall include specific line items costs (such as soft costs, hard costs, financing costs, contingency costs, etc.) in sufficient detail, a schedule as to when said costs are anticipated to occur, the development assumptions together with the rationale associated therewith, and the anticipated or project payments to the City.
- I. Sign Regulations – Provide firm's experience in analyzing sign regulations and drafting local government regulations. Specifically, the City is interested in what recommendations the firm will propose in order to allow a digital message board(s) to be constructed on the City's real property.
- J. Billboard Removal – If a firm owns billboards on Broadway, Lemon Grove Avenue, or Skyline Drive, identify which billboard(s) would be removed (if any) as part of a partnership with the City.

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- K. Insurance Coverage – Provide proof of professional liability, commercial general liability, and automobile liability insurance of at least \$3,000,000. If applicable, worker's compensation insurance with limits prescribed by state law must also be provided.
- L. Indemnity – The firm will be required to defend, indemnify and hold the City harmless from and against any claims arising from the selection of the proposed operator(s), any amendment to the City sign ordinance, and/or approval of an agreement between the City and firm.
- M. Litigation History – Please include a description of any litigation involving any individuals, companies, and/or teams that comprise the firm, which is in any way associated with the development, construction or operation of digital sign(s). If applicable, please provide any information related to said litigation, including case name and number, the venue of the case, and the outcome.

IV. SUBMITTAL DIRECTIONS

- A. Package to be Submitted – Four bound copies and one electronic copy in PDF version of the RFP package must be submitted. Questions regarding this RFP and the City's specific submission requirements may be directed to Mike James, Assistant City Manager / Public Works Director. He may be reached by telephone at 619-825-3814 or by email at mjames@lemongrove.ca.gov.
- B. Due Date of RFP Package – All response packages must be submitted no later than 5:00 p.m. on November 1, 2018 and addressed to:

City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945
Attn: Mike James

** Incomplete RFP response packages and packages received after the deadline noted above will not be considered.*

** Facsimile copies will not be accepted.*

The City reserves the right to reject any or all submittals. No obligation, either expressed or implied, exists on behalf of the City to make an award for the work or for costs incurred in the preparation of the response to the RFP. The City reserves the right to select more than one party to provide these services.

V. EVALUATION CRITERIA

In no particular order of importance, the evaluation of the RFP packages will be based on the following criteria:

Attachment B

- A. Financial Consideration to the City – The City will analyze the direct financial benefits to the City and indirect benefits, such as no cost public service announcements.
- B. Community Benefits to the City – The City will examine what is in the best interest of the City in the promotion of City sponsored events, support the local business community, and the dissemination of public safety and traffic messages.
- C. Project Consideration – Quality of the design elements proposed.
- D. Relevant Experience – The firms demonstrable and documented experience with respect to similar development and operations, including working with the public sector and/or governmental agency, the quality of work, and meeting deadlines, and willingness to work through any and all issues regarding development and implementation of digital message board signs.
- E. Detailed Development Information – Review and approval of the required development information including but not limited to the development schedule, development proforma, and construction schedule.
- F. Organization and Structure – A primary desired quality of the firm includes the designation of an experienced professional individual or management team that will be the point of contact with the City throughout the life of the project.

VI. SELECTION PROCESS

- A. Initial Review – City staff will conduct an initial review of all RFP responses received. Any incomplete response or a response that does not meet the basic qualifications for the project may be eliminated from further consideration.
- B. Evaluation Process – An evaluation panel composed of City staff (and outside consultants, if needed, as determined by City staff in its sole and absolute discretion) will review the remaining RFP responses. The evaluation panel reserves the right to request additional information and may elect to visit completed projects that are referenced.
- C. Interview (optional) – The final firms may be interviewed by the evaluation panel at a date and time to be determined.
- D. Selection – Following the interview (if conducted), the evaluation panel will make a recommendation to the City Manager for the selection of the firm to enter into negotiations of an agreement. The City Manager, at her sole discretion, may ask the City Council to approve the selection of the firm.

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VII. GENERAL CONDITIONS

The City reserves the right to modify or cancel the selection process or schedule at any time. Additionally, the City may seek clarification or addition information from proposals, as it deems necessary to the evaluation of the response.

The RFP does not commit the City to sign an agreement, award a contract, or to pay any costs incurred in the preparation of a response to this RFP. City approval will be required.

All documents, conversations, correspondence, etc. between the City and the firms are public information subject to the laws and regulations that govern the City, unless specifically identified otherwise.

The City makes no representations about the placement of proposed signage. The respondent shall make its own conclusions concerning such placement.

VIII. RESOURCES

- A. In submitting a response to this RFP, it is recommended that each firm review and analyze the City's Municipal Code, specifically section 18.12 (http://gcode.us/codes/lemongrove/view.php?topic=18-18_12&frames=on).
- B. Additionally, the City envisions that the proposed locations of any digital message board sign(s) on City owned real property (e.g. parcels or right-of-way) will be located within 1,000 feet of State Highway 94 and 125.